GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:541
ANSWERED ON:19.07.2017
Price Hike in Fares
Venugopal Shri K. C.

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government has taken into account the soaring price hike in premium trains because of the premium tatkal and dynamic fares;
(b) if so, whether Railway has acquired any additional benefit out of this pricing mechanism;
(c) if so, the details thereof;
(d) whether the dynamic fares have equalled the price of Railway to many of domestic flight charges which cause passenger loss for Railway; and
(e) if so, whether the Railway is ready to withdraw the dynamic fare system in premier trains and if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS
(SHRI RAJEN GOHAIN)

(a) to (e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF UNSTARRED QUESTION NO. 541 BY SHRI K. C. VENUGOPAL TO BE ANSWERED IN LOK SABHA ON 19.07.2017 REGARDING PRICE HIKE IN FARES

(a): Operating cost of running of passenger services is increasing year after year and there is recurring loss in the passenger segment which is non-subsidised by the freight segment. Therefore, in order to generate additional revenues to lessen the recurring loss, flexi fare system has been introduced in all classes, except first AC and Executive class, of all Rajdhani, Shatabdi and Duronto trains w.e.f. 09-09-2016. Premium Tatkal scheme is not applicable in these trains.

(b)&(c): Additional earnings from 09.09.2016 to 30.06.2017 in comparison to the same period of previous years in Rajdhani, Shatabdi and Duronto trains is approximately `551 Crore.
(d): In view of variable fare structure, the fare may or may not be higher than Air fares. The flexi fare system has been introduced only in Rajdhani, Shatabdi and Duronto trains. Other Mail/Express and Superfast services are available on the normal fare structures. It cannot therefore be said that this mechanism has diverted traffic from Railways to Airways.

(e): Review of all existing schemes is an ongoing process to effect improvement. Accordingly, an interim review of the flexi fare system has been made and the following changes have been made with effect from 20.12.2016 :-
(i) 10% rebate in basic fare on vacant berths/seats after preparation of first chart in Rajdhani, Shatabdi and Duronto trains.
(ii) Provision of Tatkal quota has been reduced in flexi fare trains from maximum 30% to 10% of the total available berths.

(iii) Discounted fare has been offered for the passengers of Jaipur-Ajmer and Ajmer-Jaipur in 12015/12016 New Delhi-Ajmer Shatabdi Express and for the passengers of Bengaluru City-Mysuru and Mysuru-Bengaluru City in 12007/12008 Chennai Central-Mysuru Shatabdi Express.
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